

PUBLIC NOTICE
For
Air Quality Operating Permit
for Agave Dagger Draw Gas Plant of Agave Energy Company

Agave Energy Company at 105 South Fourth St, Artesia, NM 88210 has submitted an air quality operating permit application to the New Mexico Environment Department (NMED) for an air quality operating permit for its Agave Dagger Draw Gas Plant. The owner of this plant is Agave Energy Company. The exact location of the facility is at latitude 32 deg, 42 min, 47 sec and longitude -104 deg, 27 min, 45 sec. To aid in locating this facility, the approximate location is 9.2 miles south from Artesia on HWY 285, then west 2.5 miles on Kincaid road, in Eddy County, New Mexico. This application file has been assigned an Operating Permit Number P157R2 and TEMPO Agency Interest ID No. 211.

Previously, the facility received an air quality construction permit and is in operation. The main purpose of the facility is to remove hydrogen sulfide, carbon dioxide, and mercaptans from sour natural gas and treat the gas with a cryogenic unit to recover natural gas liquids.

This operating permit application is to renew the operating permit and to incorporate revisions that were permitted in construction Permit No. 1-M7. Per 20.2.70.401.C(4) NMAC, revisions to the permit include clarifying 3 operating scenarios involving sweet or sour gas operations; removing control efficiency requirements for sulfur dioxide emissions during the sweet gas operating scenario; changing controls for amine unit emissions during the sweet gas operating scenario; adding a glycol dehydrator and additional requirements to the existing compliance assurance monitoring plan; and adding monitoring requirements for glycol dehydrators.

The emissions, as established in construction Permit No. 1-M7, are brought forward into this permit as follows. Parentheses note changes in emissions from the previous operating permit No. P157R1M2 and emissions are expressed in tons per year (tpy): Nitrogen Oxides (NO_x) at 8.0 tpy (-0.4); Carbon Monoxide (CO) at 6.6 tpy (-0.4); Volatile Organic Compounds (VOC) at 22.9 tpy (+1.5); Sulfur Dioxide (SO₂) at 243.0 tpy (-681.0); and Hydrogen Sulfide (H₂S) at 2.4 tpy (+2.4).

The NMED has conducted a preliminary review of the information submitted with the permit application. This review included evaluation of the emission rates and applicable requirements to determine compliance status.

The NMED has made a preliminary determination that this facility will comply with the requirements of Title 20, New Mexico Administrative Code (NMAC), Chapter 2, Parts 1, 3, 7, 8, 35, 37, 70, 71, 72, 73, 77, 80, 81, and 82; 40 CFR 50; 40 CFR 60 Subparts A and KKK; 40 CFR 63 Subparts A and HH; 40 CFR 64 Compliance Assurance Monitoring; and the New Mexico Air Quality Control Act. Therefore, the preliminary intent of NMED is to issue the air quality operating permit on or before January 25, 2012.

Interested persons may obtain the draft operating permit, submit written comments, or request a public hearing on Operating Permit Number P157R2. Contact the New Mexico

Environment Department, Air Quality Bureau, Permitting Section, 1301 Siler Rd, Bldg B, Santa Fe, New Mexico 87507-3113.

Written requests for public hearing must state the nature of the issues proposed to be raised in the hearing. Comments must be based on the requirements of the applicable state and federal air quality regulations and the Clean Air Act. Comments or hearing requests must be received within 30 days after the public notice is published.

The permit application, draft permit and relevant supporting materials are currently available for review at the Air Quality Bureau, Permitting Section, 1301 Siler, Bldg B, Santa Fe, New Mexico 87507-3113. The Department contact in Santa Fe is Cember Hardison at 505-476-4346.